

AMENDED IN SENATE APRIL 1, 2013

**SENATE BILL**

**No. 806**

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**Introduced by Senator Price**

February 22, 2013

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An act to amend ~~Sections 1685 and 4850~~ *Section 4853* of the Vehicle Code, relating to the Department of Motor Vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 806, as amended, Price. Department of Motor Vehicles.

Existing law authorizes the Department of Motor Vehicles to establish contracts for electronic programs that allow qualified private industry partners to join the department in providing services that include processing and payment programs for vehicle registration and titling transactions. Existing law, the Schrade-Belotti Act, requires the department, upon registering a vehicle, to issue to the owner partially or fully reflectorized license plates or devices for the vehicle, as specified.

~~This bill would make technical, nonsubstantive changes to these provisions.~~

*This bill would authorize the department to authorize the use of stickers or suitable devices issued by motor clubs, as defined, or first-line business partners or first-line service providers, as specified, in lieu of license plates, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 4853 of the Vehicle Code is amended to*  
2     *read:*

3     4853. (a) The department may issue one or more stickers,  
4     tabs, or other suitable devices in lieu of the license plates provided  
5     for under this code. Except where the physical differences between  
6     the stickers, tabs, or devices and license plates by their nature  
7     render the provisions of this code inapplicable, all provisions of  
8     this code relating to license plates may apply to stickers, tabs, or  
9     devices.

10    (b) *In lieu of license plates provided for under this chapter, the*  
11    *department may authorize the use of stickers or suitable devices*  
12    *issued by motor clubs as defined in Section 12142 of the Insurance*  
13    *Code, or first-line business partners or first-line service providers*  
14    *operating pursuant to subdivision (b) of Section 1685.*

15    (c) *The department may adopt appropriate rules and regulations*  
16    *for the use and display of stickers or devices issued in lieu of*  
17    *license plates.*

18    ~~SECTION 1. Section 1685 of the Vehicle Code is amended to~~  
19    ~~read:~~

20    ~~1685. (a) In order to continue improving the quality of products~~  
21    ~~and services the department provides to its customers, the~~  
22    ~~department, in conformance with Article 4 (commencing with~~  
23    ~~Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of~~  
24    ~~the Government Code, may establish contracts for electronic~~  
25    ~~programs that allow qualified private industry partners to join the~~  
26    ~~department in providing services that include processing and~~  
27    ~~payment programs for vehicle registration and titling transactions.~~

28    ~~(b) (1) The department may enter into contractual agreements~~  
29    ~~with qualified private industry partners. There are the following~~  
30    ~~three types of private industry partnerships authorized under this~~  
31    ~~section:~~

32    ~~(A) First-line business partner is an industry partner that receives~~  
33    ~~data directly from the department and uses it to complete~~  
34    ~~registration and titling activities for that partner's own business~~  
35    ~~purposes.~~

36    ~~(B) First-line service provider is an industry partner that receives~~  
37    ~~information from the department and then transmits it to another~~  
38    ~~authorized industry partner.~~

1 ~~(C) Second-line business partner is a partner that receives~~  
2 ~~information from a first-line service provider.~~

3 ~~(2) The private industry partner contractual agreements shall~~  
4 ~~include the following minimum requirements:~~

5 ~~(A) Filing of an application and payment of an application fee,~~  
6 ~~as established by the department.~~

7 ~~(B) Submission of information, including, but not limited to,~~  
8 ~~fingerprints and personal history statements, focusing on and~~  
9 ~~concerning the applicant's character, honesty, integrity, and~~  
10 ~~reputation as the department may consider necessary.~~

11 ~~(C) Posting a bond in an amount consistent with Section 1815.~~

12 ~~(3) The department shall, through regulations, establish any~~  
13 ~~additional requirements for the purpose of safeguarding privacy~~  
14 ~~and protecting the information authorized for release under this~~  
15 ~~section.~~

16 ~~(e) The director may establish, through the adoption of~~  
17 ~~regulations, the maximum amount that a qualified private industry~~  
18 ~~partner may charge its customers in providing the services~~  
19 ~~authorized under subdivision (a).~~

20 ~~(d) The department shall charge a three-dollar (\$3) transaction~~  
21 ~~fee for the information and services provided under subdivision~~  
22 ~~(a). The private industry partner may pass the transaction fee to~~  
23 ~~the customer, but the total charge to a customer may not exceed~~  
24 ~~the amount established by the director under subdivision (e).~~

25 ~~(e) All fees collected by the department pursuant to subdivision~~  
26 ~~(d) shall be deposited in the Motor Vehicle Account. On January~~  
27 ~~1 of each year, the department shall adjust the fee in accordance~~  
28 ~~with the California Consumer Price Index. The amount of the fee~~  
29 ~~shall be rounded to the nearest whole dollar, with amounts equal~~  
30 ~~to, or greater than, fifty cents (\$0.50) rounded to the next highest~~  
31 ~~whole dollar.~~

32 ~~(f) The department shall adopt regulations and procedures that~~  
33 ~~ensure adequate oversight and monitoring of qualified private~~  
34 ~~industry partners to protect vehicle owners from the improper use~~  
35 ~~of vehicle records. These regulations and procedures shall include~~  
36 ~~provisions for qualified private industry partners to periodically~~  
37 ~~submit records to the department, and the department shall review~~  
38 ~~those records as necessary. The regulations shall also include~~  
39 ~~provisions for the dedication of department resources to program~~  
40 ~~monitoring and oversight; the protection of confidential records~~

1 in the department's files and databases; and the duration and nature  
2 of the contracts with qualified private industry partners.

3 ~~(g) The department shall, annually, by October 1, provide a~~  
4 ~~report to the Legislature that shall include all of the following~~  
5 ~~information gathered during the fiscal year immediately preceding~~  
6 ~~the report date:~~

7 ~~(1) Listing of all qualified private industry partners, including~~  
8 ~~names and business addresses:~~

9 ~~(2) Volume of transactions, by type, completed by business~~  
10 ~~partners:~~

11 ~~(3) Total amount of funds, by transaction type, collected by~~  
12 ~~business partners:~~

13 ~~(4) Total amount of funds received by the department:~~

14 ~~(5) Description of any fraudulent activities identified by the~~  
15 ~~department:~~

16 ~~(6) Evaluation of the benefits of the program:~~

17 ~~(7) Recommendations for any administrative or statutory~~  
18 ~~changes that may be needed to improve the program:~~

19 ~~(h) Nothing in this section impairs or limits the authority~~  
20 ~~provided in Section 4610 or Section 12155 of the Insurance Code:~~

21 ~~SEC. 2. Section 4850 of the Vehicle Code is amended to read:~~

22 ~~4850. (a) The department, upon registering a vehicle, shall~~  
23 ~~issue to the owner two partially or fully reflectorized license plates~~  
24 ~~or devices for a motor vehicle, other than a motorecycle, and one~~  
25 ~~partially or fully reflectorized license plate or device for all other~~  
26 ~~vehicles required to be registered under this code. The plates or~~  
27 ~~devices shall identify the vehicles for which they are issued for~~  
28 ~~the period of their validity:~~

29 ~~(b) Notwithstanding any other provision of law, no contract~~  
30 ~~shall be let to any nongovernmental entity for the purchase or~~  
31 ~~securing of reflectorized material for the plates, unless the~~  
32 ~~department has made every reasonable effort to secure qualified~~  
33 ~~bids from as many independent, responsible bidders as possible.~~  
34 ~~No contract shall be let to any nongovernmental entity for the~~  
35 ~~manufacturing of reflectorized safety license plates:~~

36 ~~(c) In addition to any other fees specified in this code, a fee of~~  
37 ~~one dollar (\$1) for reflectorization shall be paid only by those~~  
38 ~~vehicle owners receiving license plates or devices under this~~  
39 ~~section:~~

1     ~~(d) This section does not require vehicle owners with~~  
2     ~~nonreflectorized license plates or devices to replace them with~~  
3     ~~reflectorized plates or devices.~~

4     ~~(e) This section shall be known, and may be cited, as the~~  
5     ~~Schrade-Belotti Act.~~

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